

AS

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-443-C - ORDER NO. 98-94  
FEBRUARY 6, 1998

IN RE: Application of International Design ) ORDER  
Group, Inc. DBA USA Telecom for a ) APPROVING  
Certificate of Public Convenience and ) APPLICATION  
Necessity to Operate as an Alternative )  
Local Exchange Carrier within the State )  
of South Carolina. )

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the application of International Design Group, Inc. dba USA Telecom ("USA Telecom" or "the Company"). The Application requests that the Commission issue a Certificate of Public Convenience and Necessity authorizing USA Telecom to provide local exchange telecommunications services in the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996), and the Regulations of the Commission.

By letter dated November 10, 1997, the Commission's Executive Director instructed USA Telecom to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings and to provide notice of the

hearing date on this matter. USA Telecom complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on January 22, 1998, at 10:30 a.m. in the Commission's Meeting Room. The Honorable Guy Butler, Chairman, presided at the hearing. USA Telecom was represented by Robert D. Coble, Esquire. The Commission Staff ("Staff") was represented by Florence P. Belser, Staff Counsel. SCTC did not appear at the hearing.

Prior to the hearing, USA Telecom and the SCTC executed a Stipulation dated January 6, 1998. The Stipulation was filed with the Commission prior to the hearing in this matter. As a result of the Stipulation, SCTC withdrew its opposition to USA Telecom's Application. The Stipulation provides the following:

- (1) The SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to USA Telecom if the Commission makes the necessary findings to grant the Certificate and if all stipulated conditions are met;
- (2) USA Telecom agrees that any Certificate granted by the Commission will authorize USA Telecom to provide service only to customers located in non-rural local exchange company ("LEC") service areas except as otherwise provided;
- (3) USA Telecom agrees that it is not requesting the Commission to find whether competition is in the public interest for rural areas;
- (4) USA Telecom agrees that it will not provide local service, by its own facilities or otherwise, to any customer in a rural incumbent LEC's service area, unless and until USA Telecom provides such rural incumbent LEC and the Commission with

written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. USA Telecom also acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause;

- (5) USA Telecom agrees that if, after USA Telecom gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then USA Telecom will not provide service to any customer located within the service area in question without prior and further Commission approval;
- (6) USA Telecom acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures and guidelines do not conflict with Federal or State law;
- (7) USA Telecom and the SCTC agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and that the stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled; and
- (8) USA Telecom agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

This stipulation is consistent with our decision in Order No.

96-494 (Docket No. 96-073-C). It was signed voluntarily by both the SCTC and USA Telecom, was filed with the Commission prior to the hearing in this matter, and was made a part of the record at the hearing. We therefore approve the stipulation.

In support of its Application, USA Telecom presented David Raymond, President of International Design Group, to testify. The purpose of Mr. Raymond's testimony was (1) to present evidence on the financial, managerial, and technical abilities of USA Telecom to provide local exchange service to locations within South Carolina and (2) to discuss the services which USA Telecom proposes to offer.

#### DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1996) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, USA Telecom's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by USA Telecom should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that USA Telecom possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1)

(Supp. 1996). Mr. Raymond testified that USA Telecom has sufficient technical, financial, and managerial resources and ability to provide the telecommunications services for which USA Telecom seeks authority. According to Mr. Raymond, USA Telecom intends to offer local exchange services only on a state-wide basis between points where facilities are available and that USA Telecom proposes to primarily target residential customers.

Mr. Raymond stated that USA Telecom's management team has considerable experience and stated that USA Telecom possesses the necessary management and technical resources to provide the services for which it seeks authority.

Regarding USA Telecom's financial resources, the record reveals that USA Telecom is incorporated under the laws of the State of Delaware. Mr. Raymond testified that USA Telecom is adequately funded and has sufficient financial resources to provide local services.

No other party offered any evidence in opposition to Mr. Raymond's testimony. Based on the undisputed evidence of the record, the Commission finds that USA Telecom possesses the technical, financial, and managerial resources sufficient to provide the services requested.

(2) The Commission finds that USA Telecom will provide services that will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1996). Mr. Raymond specifically stated that USA Telecom will comply with all applicable rules, policies, and statutes applicable to the offering

of those services and that USA Telecom fully intends to meet the Commission's service standards. Furthermore, counsel for USA Telecom stated that USA Telecom would make certain changes to its tariff, as suggested by Staff, to bring the tariff into compliance with Commission Rules and Regulations. No party offered any evidence to dispute Mr. Raymond's testimony. Based on the undisputed testimony from Mr. Raymond, the Commission believes, and so finds, that USA Telecom will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that USA Telecom's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Mr. Raymond stated that USA Telecom's service offerings would not adversely impact the availability of affordable local exchange service. No party offered any evidence that the provision of local exchange service by USA Telecom would adversely affect local rates. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by USA Telecom will not adversely impact affordable local exchange service.

(4) The Commission finds that USA Telecom will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1996). Mr. Raymond testified that USA Telecom will comply with the Commission's universal service requirements. No party disputed Mr. Raymond's testimony. Based on the undisputed evidence of record, the Commission finds that USA

Telecom will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by USA Telecom "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996). Mr. Raymond offered that approval of USA Telecom to provide local telecommunications services will benefit consumers by making local service more affordable and available. Mr. Raymond's testimony was undisputed as no party offered any evidence that approval of USA Telecom's Application would adversely impact the public interest. Therefore, the Commission finds that approval of USA Telecom's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996).

Therefore, based on the findings above, the Commission finds and concludes that the Certificate sought by USA Telecom should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of USA Telecom for a Certificate of Public Convenience and Necessity authorizing USA Telecom to provide local exchange telecommunications services in the State of South Carolina is approved.

2. The Stipulation filed by USA Telecom and the SCTC is approved by this Commission, is binding upon USA Telecom and the SCTC, and shall be implemented as set forth in the Stipulation. We therefore make no findings or conclusions regarding competition in

the rural areas of South Carolina. USA Telecom shall conduct its operations in compliance with the Stipulation until further Order of the Commission.

3. USA Telecom shall file, prior to offering local exchange services in South Carolina, a final tariff of its service offerings. The final tariff shall include the modifications and changes as proposed by the Commission Staff and to which USA Telecom agreed.

4. USA Telecom shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, USA Telecom shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. USA Telecom shall file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, USA Telecom shall promptly notify the Commission in writing if the representatives are replaced. USA Telecom is directed to comply with all Commission regulations unless expressly waived by the Commission.

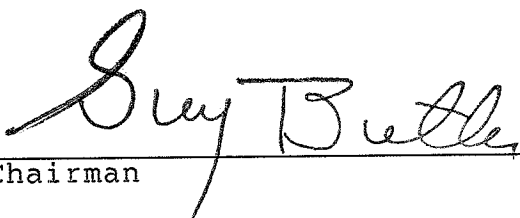
5. USA Telecom shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be



rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

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FEBRUARY 6, 1998  
ATTACHMENT A

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INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES  
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and  
maintain with the Commission the name, title, address, and  
telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

\_\_\_\_\_  
Company Name/DBA Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Authorized Utility Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
This form was completed by

\_\_\_\_\_  
Signature

If you have any questions, contact the Consumer Services  
Department at 803-737-5230